FBIS DAILY REPORT CONTENTS

Latin America

Vol VI No 249 *27 December 1985*

ARGENTINA

Alfonsin Delivers Year-End Message to Nation B 1
Opposition Attacks Alfonsin Year-End Speech B 5
[BUENOS AIRES HERALD 26 Dec]
Lawmakers Refute Walters' Charge Against Nicaragua B 5
[NOTICIAS ARGENTINAS 23 Dec]
Caputo on U.S. Relations, Falklands, Contadora B 6
[NOTICIAS ARGENTINAS 23 Dec]
Unions Protest Government's Wage Policies B 7
[BUENOS AIRES HERALD 26 Dec]

BOLIVIA

Interior Minister Emphasizes 1986 Antidrug Plans C 1
Ruling MNR To Join Socialist International C 1

CHILE

Reaction to Walters' Nicaraguan Terrorism Charges E 1
[EL MERCURIO 12 Dec]
Mining Minister Praises Reagan's Veto on Copper E 2

ECUADOR

Febres Cordero Concerned About Drop in OPEC Prices G 1
Energy Minister Views Government Oil Policy G 1

PERU

Garcia Discusses Oil Negotiations, Taxes J 1

CENTRAL AMERICA

EL SALVADOR

FMLN Damages Rocket-Launching Helicopter P 1
[Venceremos]
Rebels Accuse Government of Violating Truce P 1
[Venceremos]
Ungo on Violation P 2
Government 'Needed' Truce [Venceremos] P 3
FMLN Explanation of Dialogue Proposal P 4
Part 14 [Farabundo Marti] P 4

NICARAGUA

Nunez Tellez Speech to National Assembly P 5

CUBA

Castro Closes 13th CC Plenary Meeting 25 December	Q 1
Ex-Bank Official Denies Sanchez Perez Charges	Q 1
Trade Minister on Visit to, Trade With Angola	Q 3
Cubans, Angolan Plane Return From Zaire	Q 4
Declaration Condemning South Africa Issued	Q 4
Cuba, Peru Sign Intergovernmental, Trade Documents	Q 4
Cuba, Argentina Sign Maritime Transport Agreement	Q 5
Soviet Light Industry Delegation Arrives	Q 5

ALFONSIN DELIVERS YEAR-END MESSAGE TO NATION

PY240310 Buenos Aires Argentina Televisora Color Network in Spanish 0000 GMT 24 Dec 85

[President Raul Alfonsin's address to the nation on the occasion of year-end festivities from the Olivos Presidential Residence -- live or recorded]

[Excerpts] Good evening.

The end of the year seems to be the right time for taking stock and also for renewing our hopes, and I did not want to miss the opportunity to share with you a few thoughts concerning the results of our joint efforts. In sum, I wanted to talk to you about the legitimate discontent of people who do not really have any reasons or time to feel satisfied with what has been accomplished so far.

But I also wanted to take this opportunity to outline for you the intentions that will guide us in 1986 and to share your confidence, the confidence I am sure you all feel, the confidence that gives us strength to keep struggling along the path that we Argentines have chose after the long night that we finally left behind 2 years ago.

We all know something very important, we all know that things will never again be as they were before. The changes that our society has undergone, deep and radical changes, provide us with sufficient reasons to celebrate at the end of this second year of democracy.

Our purpose had been to overcome, once and for all what turned out to be a frustrated democracy so many times. This, among other things, called for a reconstruction of our economy starting from scratch. That is, we had to have a stable currency, certainty, prospects. Thus, this year we launched the Austral Plan for economic reform. Now, after 6 months of attempting to curb inflation, our balance, as you can see, is positive.

We have managed to stop, neutralize and keep in check the threat of hyperinflation. By doing so, by directing everyone's efforts toward a clear-cut and priority objective, we have been able to gauge the potential of a people acting in a solidary manner, because it is perfectly obvious that all we have accomplished has been done by each and every one of you.

By moving together we overcame the old image of a country unable to resolve its problems or to get through inflation, for example. Therefore, the progress we have been making is, above and beyond anything else, a political accomplishment, a moral victory, a victory stemming from everyone's discipline and commitment. This discipline and commitment were not the result of coercion but the spontaneous reaction of a people who felt their status as a civilized community was in jeopardy. How could anybody think about coexistence when inflation was pushing us to the brink of pointless confrontation, to the very loss of respect for common wellbeing and along the downhill path.

Thus, the defeat of inflation is no more and no less than a new chance to turn Argentina into a reliable country, a country that like any other country, might have its problems and its conflicts, some of them unresolved, but a country where one can build and reinstate hope.

Therefore, the struggle against inflation cannot be a mere interlude at the end of which, some progress is achieved, we will be able to relax our discipline and resume the escalation of salaries and prices. Going back to inflation would be tantamount to going back to unfairness because the weakest are the ones who can do less to protect themselves from it. Going back to inflation means delaying growth indefinitely because the lack of stability fosters speculation and discourages investments and the opening of new jobs.

Our country knows full well what living with inflation means. It means living without justice and without growth. Let us learn our harsh lesson from experience.

Today, we are better off than we were a year ago, and we are confident that we will continue to progress next year. But next year will certainly be a difficult year, because at stake will be the consolidation of the progress we have made, confronting problems that will be carried over as well as difficulties. The effect of the floods on the harvests and the decline of international prices have introduced a new disturbance in a situation that is already complicated by the impact of the foreign debt. It would be senseless to hide from you the seriousness of this situation, because its consequences are visible and will be visible in the daily life of every Argentine.

All we can do to alleviate and fairly distribute the burden will be done, no doubt about it. But we will try nothing that might compromise our achievements. We cannot be irresponsible to that extent, because those who will in the end pay for those errors will be those who have less. Moreover, we want to preserve the image of seriousness and truth of this reborn democracy in Argentina.

With this spirit, we will redouble our efforts to ensure stability through energetic and renewing action in the area that is closest to our responsibility: the public sector. I want all of you to know that from this standpoint, the year 1986 will be marked by the will to correct and overcome the lack of adjustment and the inefficiencies of the public enterprises. This lack of adjustment cannot of course be explained with simplistic arguments or by attributing them to the fact that the enterprises are run by the state. For this reason and because of the importance this question has attained in our society; because this question must be faced if we want to become the modern society we have decided to be; because this question involves one of the most serious problems we must confront if we want to end inflation; for all these reasons, we have decided to create a new secretariat under the nation's presidency, the secretariat of public enterprises control, which will be under our direct supervision. Whatever type of problem that is thus detected, we will act on it with all strength of our political decision. The government will not tolerate the mismanagement of society's resources, the funds that all of you entrust to those in charge of public enterprises.

This year, the Argentines have gone to the ballot boxes to exercise the inalienable right to political participation, without which there are no free peoples or democratic societies.

For the first time in many years, unyielding antagonisms are no longer part of the national political life. And I am even tempted to say that this is the first time in the history of our country when unyielding antagonisms are no longer present in the political life of the nation. I sincerely believe that this is the most important and significant achievement, culturally and politically speaking, in the year that is coming to an end. True, there are discrepancies, discussions, sometimes at a higher pitch than we would like, but the intolerant society is receding into the past. We are advancing along the path of coexistence. We are seeing a society that has begun to cultivate dialogue and to discover the value of tolerance in the practice of participation and in compliance with the rules of the democratic game. This permits us to find broad common denominators that define an authentic nation.

This change in Argentine society is a challenge that affects us all, and makes us aware that we are living through crucial moments and must all make new proposals to pave the way for the foundation of a new, decisive political phase.

As I said in Government House, this morning we can say that our government has a legitimate origin. It has come to power through clear, clean elections, with the clear support of the majority, and it has likewise maintained its legitimacy through further partial elections. This would be enough to claim that the winning party should demand for itself the responsibility of government without requiring the presence of other parties. And if it were a question of governing for only one term, this would probably be right. But this is not the case. We are going through new times; this is like the beginning of a new phase. This is a fundamental circumstance.

As we begin this phase of living together and of participation, we feel the presence of everyone: of those who voted for us and those who did not. In this sense, the Argentine people's will prevails over our discrepancies. I am not talking about governing, but of beginning a phase in which, as I believe, we must give the different sectors of national life the chance to cooperate more closely with society through an action that can be implemented by government. We are thus acknowledging the spiritual state of Argentine society, and if we did not do so, I should think it would mean acting selfishly and not understanding the deep nature of the changes undertaken by our people.

We must recall, for example as we did this morning in Government House, the constitutional interruption of 1930, which also signaled the beginning of a phase, the beginning of a tremendous fall. It inaugurated a long period of lawlessness which nearly led the country to disintegration and which lasted much longer than the political validity of its actors or their lives.

Now, laying aside some periods that also fell under the weight of social and political troubles, we are emerging from that phase. We are overcoming that violent and intolerant period. Now, with everyone's effort, not only that of the government, we understand the basis of our new phase.

It has been said that the task begun by the Argentines in December 1983 continues, as we have affirmed, not in the restoration of democracy but in the construction of Argentine democracy. The government has been before, but it is even more so now, prepared to be the reflection of this society that supplies daily evidence of true collective desires.

It gathers and incorporates men who feel committed to a national and not a party project; and it is prepared to provide the channels for imagination, creativity, and the Argentines' noble will to do things. The council we have decided to establish and the new people who have joined the government are an example of this firm intention.

Today we are a country that has achieved a level of maturity that was unthinkable a few years ago, a maturity that seeks and finds points of agreement between the various political, social, and sectorial groups.

Some time ago this was not really conceivable. Without a doubt this is the best testimony that we ourselves can give in the celebrations of this upcoming Christmas.

We are about to reach, we have reached, Christianity's most important day with our soul more adjusted than ever to the spirit of these celebrations that for us are a call for solidarity and love for our fellow men.

This transformation that today is moving Argentine society toward convergence cannot only be observed at the political level of the level of other types of social

organizations, such as the unions and business associations, it can also be observed within the family and in neighborhood activities.

During this same period how many voices could be heard year after year asking for peace, demanding love and understanding and singing to freedom and justice when those values were really only the banner of struggle of a people that were tired of death, hate, lack of understanding and lack of justice.

Today this is not so. Our society, this society of which we are members, these people that we are, have again become the owners of their land, their rights and the will to grow. This is a society that has obtained health; it is no longer sick. It is a society that has decided that it will no longer have its rights taken away from it.

It is because we have that international prestige, because of what we have achieved and because we are experiencing a true coexistence that we can celebrate these festivities in the space that we have won.

I know very well that it is going to be a modest celebration, it is true, but it will be a genuine and well-earned celebration. Each one of you deserve it for what you have done, for what you have suffered, for what you are and for what you want to be.

Those of us who have the responsibility to see that there is no shortage of bread or work in any home, are fully aware of the urgent needs of thosewho can wait no longer and this is why we are thinking of them and we very strongly feel the spiritual need of not failing anyone.

It is because we think of those who have not yet achieved the solutions social justice demands that there is no interval peace during these year-end festivities.

The commitment that we have contracted with the people is too great to allow us to sit back and rest until we have achieved all our purposes. We have decided to respond to the demands of our people and we are going to achieve our goal. But, our answers will be serious and any changes and new proposals will be based on the assurance that at times we will have to walk difficult paths, difficult for us and difficult for everyone.

I wish you all a very happy Christmas and a very happy New Year and I hope that all your efforts will be crowned with the success that we deserve as a country striving to become, for ourselves and our children, a nation that ranks among the best in the world. Thank you.

OPPOSITION ATTACKS ALFONSIN YEAR-END SPEECH

PY270155 Buenos Aires BUENOS AIRES HERALD in English 26 Dec 85 p 7

[Text] (NA-DYN) -- Political party leaders were neither impressed nor pleased with President Raul Alfonsin's Christmas message to the nation, and urged greater participation in debates on key national issues.

Peronist deputy Roberto Digon stressed the need to "bring to the forefront the profile of the country we have to build," adding that Alfonsin "did not offer political parties, businessmen or workers the idea that this project is being discussed openly." Digon said: "The President continues to confuse the expressions of feelings of the Argentine people with the reality we are living."

Intransigent deputy Miguel Monserrat said the speech did not address "the basic problems facing the country," nor give an "objective" balance of the government's performance to date." Monserrat also criticized the "strange initiative" of forming a "hand-picked" advisory council "while marginating the Congress, voted by the people, in dealing with major national concerns."

Christian Democrat Carlos Auyero described the president's message as full of "good intentions," but kept the "core issues in reserve, sidestepping public debate on a growth plan to break with the current recession." Auyero also doubted the announced advisory council was the "right place for debating a national programme," pointing instead to Congress where "there is dissent and confrontation, but also where stable and guiding agreements arise."

Railway leader Raul Ravitti said that while "no one can be against the fight against inflation, the future of the country cannot be settled with Christmas speeches."

CGT treasurer Hugo Curto recalled that "Alfonsin always asks workers for sacrifice but forgets that in the 1983 presidential campaign he promised dignified wages to live the entire 30 days of the month, and they barely stretch a week."

San Luis Movement for Integration and Development Secretary-General Alberto Domeniconi described the address as "a catalogue of hopes and wishes without any substance." Domeniconi said the newly-created advisory board "is nothing more than trying to spread to other parties the responsibilities the government will have to bear for the approaching disaster."

Finally, the national coordinating committee of pensioners' and retirees' organizations yesterday called the three-austral increase granted elderly earners a "sarcastic joke," and demanded that the government take a close look at various housing bills up before Congress.

LAWMAKERS REFUTE WALTERS' CHARGE AGAINST NICARAGUA

PY241638 Buenos Aires NOTICIAS ARGENTINAS in Spanish 1255 GMT 23 Dec 85

[Text] Buenos Aires, 23 Dec (NA) -- The U.S. Embassy has denied press reports that U.S. Ambassador to the United Nations, General Vernon Walters, is currently in Argentina to talk with government officials. In a brief telephone communique that was released last night, the U.S. Embassy clarified that Walters is currently in the state of Florida, the United States, and that the diplomat has not visited Argentina since 1982.

Meanwhile, national deputies Jose Manuel de la Sota (Peronist), Miguel Monserrat (Intransigent), and Carlos Auyero (Christian Democrat) have refuted statements by Walters alleging that Nicaragua will give support to guerrillas in Argentina, Uruguay, and Chile.

"This statement by Vernon Walters," according to Auyero, who is president of the Christian Democratic Party, "is another attempt to scare us and make us reimplement that accursed so-called national security doctrine." In comments on the Radio Belgrano "Morning, Afternoon, and Evening" program, the Argentine lawmakers yesterday gave similar opinions on Walters' charge of alleged Sandinist aid to the Argentine Montoneros, the Uruguayan Tupamaros, and the Chilean Movement of the Revolutionary Left (MIR). Peronist Deputy de la Sota said the charge "will in no way contribute to building democracy. Quite to the contrary."

De la Sota added that "just as there is a red international that has attempted to introduce violence as a political method in Latin America, there is also a black international that has attempted to introduce violence as a method of repressing political action."

CAPUTO ON U.S. RELATIONS, FALKLANDS, CONTADORA

PY232047 Buenos Aires NOTICIAS ARGENTINAS in Spanish 1545 GMT 23 Dec 85

[Text] Buenos Aires, 23 Dec (NA) -- Foreign Minister Dante Caputo today stressed that "the new dialogue between Argentina, Brazil, and Mexico will be the jumping off point for the policy of Latin American integration" next year. He also admitted that the problem of the region's foreign debt will be "re-evaluated" in 1986.

Speaking about other matters, he stated that the request made by the Nicaraguan and Costa Rican governments for a 6-month suspension of the activities of the Contadora Group "is worrying because there has been an escalation of mutual accusations and the mechanism for negotiation has become frozen.

"We cannot permit the disappearance of Contadora," he stressed. "We must try to generate new political initiatives that will again place Contadora in the middle of the political debate, otherwise the various viewpoints are going to collide, there will be an explosion, and we will find ourselves involved in a problem."

Caputo, in an interview with Radio Continental's program "Primera Mano," called the bilateral negotiations between Argentina and the United States "serious" and he added that the two countries "know on which matters they agree and on which they disagree. Therefore, there is an understanding on basic matters that gives us a margin to discuss many things.

"From an uncertain and changing relationship in the past, we have passed on to our current predictable relationship," he emphasized. The Argentine experience has generated a lot of respect among the industrialized nations."

He also confirmed that in January he will travel to the Soviet Union -- the first trip by an Argentine foreign minister to that country in 100 years of diplomatic relations. In this respect, he highlighted the fact that bilateral relations with the USSR are developing "within friendship" and he recalled that that country "continues to be a very important customer for us despite the difference in the political organizations of the two countries."

Caputo considers that it is "important" that the matter of the Malvinas "be kept alive in international public opinion," and he stressed that "we are going to permanently insist on our demands," pointing out "the great difference between the rationality of Argentina and the lack of British sensitivity. "We are going to try to achieve closer ties," he added, "with the opposition parties in Great Britain in order to generate some kind of commitment so the matter can be discussed when there is a change of government, without forgetting the possibility that the current government might sit down and talk."

He highlighted as one of the Foreign Ministry's "greatest achievements" the "new dialogue between Argentina, Brazil, and Mexico," countries that are "working together politically and economically, which will be the jumping off point for 1986."

UNIONS PROTEST GOVERNMENT'S WAGE POLICIES

PY270201 Buenos Aires BUENOS AIRES HERALD in English 26 Dec 85 p 7

[Text] (NA-DYN) -- The CGT -- amidst a spate of protests by bus drivers, restaurant workers, postal workers, railwaymen, metalworkers, bankers and airline personnel -- yesterday accused the government of "injustice and insensitivity" in its policies towards workers.

In a Christmas statement the CGT also rebuked the government for offering to increase minimum retirement benefits from 67 to 70 australs. "It is irritating that the men and women who gave an entire life of labour and who get measly retirement benefits are insulted with increases that do not even allow them to buy basic items," the CGT stated.

The government announced its intentions, which include a general five percent wage hike for January, at last Monday's socioeconomic conference talks. The CGT walked out of the talks in protest and confederation leaders are to meet on Janaury 10 to consider a nationwide "plan of action."

Metal Workers' Union (UOM) treasurer Hugo Curto yesterday said the CGT will draft a strategy "which unfortunately will lead us to a confrontation with the government."

Individual unions have already taken more aggressive stances:

Construction Workers' Union (UOCRA) delegates meet today and tomorrow to restart a plan of action suspended during the socioeconomic conference talks. The Restaurant Workers' Union (UTGRA) confirmed its members will strike December 31 to demand pay hikes. Bus Drivers' Union (UTA) leaders warned that long-distance drivers may go on strike unless employers increase travel expense allowances. Banco de la Nacion and Banco Sudameris clerks are protesting to demand pay hikes. Postal workers started a work-to-rule last Monday to demand pay hikes. Some 14 million letters piled up during a similar protest last year during the holidays. Aerolineas Argentinas pilots and ground crews demanding pay hikes are holding compulsory conciliation talks with the company. The four unions grouping railwaymen are to meet on January 2 to consider new strike-action to voice pay demands. UOM leaders are to renew a pay-related plan of action by metalworkers during the first days of January.

INTERIOR MINISTER EMPHASIZES 1986 ANTIDRUG PLANS

PY242246 La Paz Cadena Panamericana in Spanish 0000 GMT 24 Dec 85

[Text] The most important task in 1986 will be to fight drug trafficking, and the government is planning to intensify actions to erradicate it. This statement was made by Interior, Migration, and Justice Minister Bernardo Berthelemy, who added that so far 600 hectares of coca cultivation have been (?registered) in the [name indistict], and that through agreements with the government the peasants are gradually reducing the number of hectares used for coca cultivation. However, the interior minister deplored the attitude of some political groups, who criticized the government for these agreements with the peasants.

[Begin Berthelemy recording] [passage indistinct] The government wants to reduce, not necessarily erradicate, coca cultivation because we understand very well that it is impossible to erradicate it at this time. What we are trying to accomplish is to reduce the area of cultivation in order to reduce production. [passage indistinct] As for the struggle against drug traffickers, it will be accelerated in 1986. We believe this country has a moral duty to clean up its image abroad because we cannot continue to be viewed as a criminal country devoted to drug trafficking, thus poisoning mankind. [end recording]

RULING MNR TO JOIN SOCIALIST INTERNATIONAL

PY242309 La Paz PRESENCIA in Spanish 17 Dec 85 p 7

[Text] The Nationalist Revolutionary Movement [MNR] has decided to join the Latin American Socialist International. The decision was made yesterday during a meeting between MNR leader Nuflo Chavez Ortiz and Socialist International vice president Anselmo Sule, who is visiting Bolivia to attend the fifth period of sessions of the Andean Parliament. The MNR political committee reported that the movement decided to join the international organization because the objectives of the MNR "are identical to socialist principles," which are: "national liberation, social development, and the consolidation of democracy."

The MNR members who attended the meeting conveyed to Sule their solidarity with the Socialist International and pointed out that "the MNR has on other occasions contacted similar parties like Peru's APRA [American Revolutionary Popular Alliance] and other nationalist, revolutionary, and popular parties."

Sule, a former Chilean lawmaker, said that "Latin America expects much from its forefront parties, and it also expects to receive orientation and guidance at this difficult socioeconomic juncture." He added that in the current difficult situation in Latin America, "parties like the Bolivian MNR must fulfill a leading role for the attainment of specific historical objectives." On behalf of the organization that he represents, Sule offered "broad cooperation with the MNR because it is necessary to help the government and the MNR succeed, because of their significance for the Latin American democratization process."

The MNR political committee reported that "the admission of the MNR into the Socialist International is a concrete fact that will be approved during a special meeting this week."

REACTION TO WALTERS' NICARAGUAN TERRORISM CHARGES

PY251302 Santiago EL MERCURIO in Spanish 12 Dec 85 p C 2

[Text] The charges made by the U.S. ambassador to the United Nations, Vernon Walters, that the Sandinist government of Nicaragua is allegedly financing and supplying weapons to different Latin American extremist groups, including the Movement of the Revolutionary Left [MIR], has caused concern and rejection among Chilean political circles because of the eventual internal results it may cause.

Democratic Alliance and Republican Party President Armando Jaramillo said that without knowing the background of the charges, he condemns "in the most open and definite terms any sort of terrorist action," and added that "whatever the origin of violence it is a criminal action that I vigorously reject."

Jaramillo said that "from my point of view, terrorism is a random political tool, a crime that most of the time harms completely innocent people."

Luis Cordero, leader of the Independent Democratic Union [UDI] said that "in the first place the charges are true because it is undeniable that there is an agreement among all world terrorist and guerrilla movements, especially among those operating on our continent because of the revolutionary presence of Cuba."

He added that he has concrete evidence "regarding the specific relationship between the MIR and Sandinism. "I met a group of youths from the 'Silva Henriquez Camp' who chose Nicaragua as the place to visit this January, in order to get acquainted with the revolutionary experience there and to receive technical training in urban revolutionary actions." He reported that "this trip was canceled after the Popular Democratic Movement [MDP] leadership of the camp was removed and replaced by the current UDI leadership."

National Union President Andres Allamand said that "the charges made by the U.S. ambassador are extremely serious because they confirm that Soviet sponsored and financed terrorism is an international phenomenon that does not respect frontiers or political systems."

Allamand added that "it is significant that subversive aid is given in three out of four cases to terrorist groups that intend to destabilize democratic governments. In the case of Chile, the active participation of the MIR in the MDP should be considered by those sectors which tend to support the MDP either through labor union actions or demonstrations for democracy, since they are tacitly validating this group that clearly has totalitarian purposes."

Christian Democratic leader Arturo Frei said "it is very possible that Vernon Walter's statements are true and that the Sandinist government is trying to aid similar organizations in other Latin American countries." However, he said that "the problem observed throughout our region is that our peoples are suffering. They are caught between two extremes: the dictatorial governments that divide the people into those that are for or against them, and the terrorists, who through force seek to get rid of these governments."

Frei concluded by saying that "I am sure that the immense majority of men and women from our countries desire development, social justice, and peace and reject these extremes that seek to submit them to violence."

Radical Party Vice President Luis Fernando Luengo said that "we do not have any type of contact with the MIR, and consequently we know nothing of any eventual aid it could receive from the Sandinists or any other similar organization."

He added that "in any case, if Vernon Walter's charges were true we would once again say that we repudiate this sort of violent policy that leads us to an inevitable encounter between the Armed Forces and civilians organized under an irregular army. Luengo finally said that "there are two reasons for this rejection of violence by the Radicals: first, because the results of this sort of policy are not in keeping with our objectives, and because we also believe that these actions when carried out in the name of democracy are suicidal, without any chance of success."

MINING MINISTER PRAISES REAGAN'S VETO ON COPPER

PY210136 Santiago Domestic Service in Spanish 2200 GMT 20 Dec 85

[Text] Mining Minister Samuel Lira has called U.S. President Ronald Reagan's veto of protectionist measures affecting cooper very positive, because producers will not be compelled to reduce their production cuts and it would have caused problems for copper producers and an increase in copper prices. He recalled that a group of U.S. lawmakers some months ago sponsored an amendment to the U.S. trade law seeking to restrict U.S. copper imports. Lira said President Reagan's veto not only affected the measures against U.S. shoes and textile imports, but also rejected, once again, a request to reduce production.

The minister added that the presidential veto means that there will be no production cuts other than those voluntarily decided upon by producers.

FEBRES CORDERO CONCERNED ABOUT DROP IN OPEC PRICES

PA232143 Quito Voz de los Andes in Spanish 1230 GMT 22 Dec 85

[Text] President Leon Febres Cordero has said that the continuous drop in oil prices could result in serious consequences for the country. He made these statements to the press in Guayaquil. He said Ecuador is the smallest producer among the OPEC countries and oil sales are the country's main source of revenue. The OPEC decision to defend its position in the world market without upholding its price policy resulted in a drop of $1.55 per barrel of Ecuadoran oil. Currently, Ecuador is selling its crude at $25.64 per barrel. Xavier Neira, minister of industry, commerce and integration, said recently that Ecuador's production ceiling will reach 320,000 barrels a day by the end of March 1986.

ENERGY MINISTER VIEWS GOVERNMENT OIL POLICY

PA222308 Quito Voz de los Andes in Spanish 1130 GMT 18 Dec 85

[Text] The need has emerged to seek a new order in the production of crude oil with the participation of countries that are OPEC members, and those that are not, Energy and Mines Minister Javier Espinosa Teran has said.

[Begin Espinosa recording] This is exactly what the final resolution seeks. Prices have been slipping in the past few days, a psychological-speculative result of the decision. We do not believe there is any reason for it because although there are approximately 2 million additional barrels of OPEC crude on the market, this is largely due to the fact that stocks, especially those in western Europe, are being refilled. Advantage is being taken of the dollar's drop relative to their own currencies, they are speaking of [word indistinct] in the price of oil. However, these stocks will be filled in February, and it is hoped that by that time the ministerial committee assigned to deal with the problem of the just participation of OPEC crude on the market will have a concrete scheme to present to the [word indistinct] producers. The price may drop another dollar, but we certainly do not foresee a great drop. Nevertheless, the country is suffering because of a new policy that we do not agree with; the ministry does not agree with the policy of having OPEC member countries conquer markets. As a marginal producer, Ecuador produces what it can technically produce. It does not have defense mechanisms beyond those of continuing the development projects that CEPE [Ecuadoran State Petroleum Corporation] is carrying out on its own reserves. Throughout the coming year, CEPE will continue to work to possibly increase its production by approximately 16,000 to 20,000 barrels more, because the country is manufacturing more products. Furthermore, this is what the country can give, and it cannot go beyond this. [end recording]

The energy minister pointed out that the drop in oil prices will not affect the state's budget, which is duly financed. He also referred to what Ecuador must do regarding oil matters in the future. [Begin recording] [Espinosa] There is a clear policy regarding what may happen, and Ecuador should continue placing all of its crude on the market on long terms, keeping its clients, because we have clients that we consider to be first rate, of the highest quality. At no time will we stop pumping or seeking storage abroad because we believe there will be no need for this. At the present time, all of our contracts are functioning normally.

[Question indistinct]

[Espinosa] No, we do not foresee (?stocks), either. It is possible that at some time additional barrels may accumulate, but the criteria is that as soon as there are 10,000 or more barrels accumulated, they can be sold on long-term contracts. [end recording]

GARCIA DISCUSSES OIL NEGOTIATIONS, TAXES

PY261655 Lima Television Peruana in Spanish 0100 GMT 26 Dec 85

[Text] President Alan Garcia today announced that on 24 December, the executive branch submitted a bill to Congress abolishing oil law No 23,231 and canceling the tax exemptions that had been granted to foreign oil companies. The president stated that the negotiations being held with Occidental, Belco, and Oxy-Bridas are positive for our country.

[Begin recording] [Unidentified reporter] Mr President, negotiations with the oil companies began approximately 120 days ago. What progress has been made?

[Garcia] Negotiations have not yet been concluded. However, through the negotiating committee the government has established its conditions. We are trying to overcome the problems stemming from the application of law No 23,231 of the previous administration and of some decrees, under which the oil companies did not pay income tax and did not prospect for new oil fields. This resulted in a reduction of our oil reserves.

The conditions Peru has imposed amount to the (?minimum) we can demand: First, the taxes that were not paid, because of the terms of the decree we have just abolished, must be paid. These taxes amount to several hundred billion soles. Second, the income tax that the previous government reduced to 41 percent must again be raised to 68 percent to increase state revenues. Third, after 5 years without investments in oil prospecting, the oil companies must now invest in oil prospecting in new areas. That is, under the terms of the much-criticized and now repealed law No 23,231 of the previous administration, the companies paid no taxes under the pretext that they were investing in oil prospecting. But they actually didn't prospect for anything because the only thing they did was extract oil from the fields that were known to contain oil. We have told the companies: To sign new contracts you must promise to bring fresh money from external sources to invest in prospecting, in order to increase Peruvian oil reserves. Fourth, the development of the oil industry and the extraction of oil must be financed with money brought from abroad, and not with taxes that are not paid in Peru.

To comply with all these conditions, we have proposed mechanisms like the creation of a mixed consortium between Petroperu [the Peruvian Petroleum Agency] and any of the foreign companies. If a profitable oil field is discovered, the foreign company -- and not the Peruvian state -- must build the pipeline. As you know, it was the state which built the northern Peruvian oil pipeline 10 years ago. We believe the foreign companies should have built it. If new oil fields are found, a new pipeline can be built, but it must be built by the foreign companies.

These are our conditions, which also include clauses to protect the state in case oil prices or taxes decline.

[Reporter] Do these conditions apply to all oil companies operating in our country?

[Garcia] Look, there are some differences, but they apply to the three foreign companies, particularly the two largest firms -- Occidental, which operates in the jungle, and Belco, which operates offshore in northern Peru. Even though some people believe these conditions are too exacting, we are convinced that they can be accepted. If accepted, they will be far better for our country compared to the situation prevailing over the past 5 years, because our tax revenues and oil reserves will grow. If they are not accepted, Petroperu will have to take over the fields and will exploit some (?wells).

Obviously, it would be preferable to give the right treatment to foreign capital. We cannot say that foreign capital is good and that we will welcome it under whatever conditions. Neither can we say that foreign capital is bad and that we do not want it. We believe one should know how to impose conditions and how to deal with foreign capital from a nationalist position. To be a nationalist does not mean to expell everything of foreign origin from Peru. To be a nationalist is to know how to deal with foreign capital on an equal footing, without kneeling down before it.

[Reporter] Mr President, will these foreign oil companies be expropriated if agreements are not reached?

[Garcia] Look, that is an extreme measure that the state may enforce. If no agreements are reached, Petroperu will have to continue to extract oil and will have to look for foreign capital for prospecting. The oil companies will put forth their demands. I believe the judicial branch will have to decide who owes to whom. Part of the companies' assets could be used for paying the taxes we consider unpaid. The conditions for expropriation will then be established.

[Reporter] Mr President, would that actually be an expropriation?

[Garcia] Yes, that is the legal word. However, the judicial branch should first make an evaluation of the company assets. This is the usual procedure, right? We are not considering expropriation as an essential step now. We believe that foreign investment, either of U.S. or European origin, can be favorable to the state, as it is in the PRC, in the USSR, and in Vietnam. [end recording]

The president also announced that the government has proposed several tax measures to distribute the tax burden fairly.

[Begin Garcia recording in progress]... and as of 1986 we must change tax regulations. Many indirect taxes are collected in Peru, both from those who have little and from those who have much. We will enforce direct taxes, which must fairly and reasonably burden everyone's income. Everyone must pay taxes, which must be compulsory. No one should evade them. Therefore, tax evasion should be punished. Current tax exemptions must be eliminated because everyone must pay taxes.

In theory, the tax burden in Peru is heavy because the law establishes high taxation levels. In practice, though, everything is tax-exempted. Therefore, tax exemptions must be streamlined, eliminating those which are not necessary. We will then have real taxes.

These are the tax proposals, which also observe the principle that those who have more should pay more. [end recording]

EL SALVADOR

FMLN DAMAGES ROCKET-LAUNCHING HELICOPTER

PA262141 (Clandestine) Radio Venceremos in Spanish to El Salvador 0000 GMT 26 Dec 85

[Text] Attention, the FMLN has damaged a helicopter armed with rocket launchers in Morazan Department. Attention, we reported that at 0530, 25 December, various Air Force aircraft were seen in the sky over Morazan Department. Our units opened fire against one of these helicopters armed with rocket launchers and it was damaged; all this took place in the zone of Joateca.

We repeat the information: The FMLN has damaged a U.S.-made helicopter armed with rocket launchers today, 25 December, during the morning hours. The report says that FMLN units of the Rafael Arce Zablah Brigade [BRAZ] opened fire against the U.S.-made helicopter armed with rocket launchers, damaging it, in the zone of Joateca, Morazan Department.

REBELS ACCUSE GOVERNMENT OF VIOLATING TRUCE

PA270300 (Clandestine) Radio Venceremos in Spanish to El Salvador 0138 GMT 27 Dec 85

["Communique" issued by FDR-FMLN on 26 December -- read by announcer]

[Text] We inform our people and the world that:

1. In consideration of our people's tradition, on 13 December 1985 the FDR-FMLN declared a unilateral truce to be respected during 3 days around Christmas and 3 days around the New Year.

2. The archbishop of San Salvador called for a 10-day consecutive extension of the truce beginning on 24 December. We accepted this request on the condition that the other party, the government, also respect it.

3. The people's expectations, born from our declaration of a truce, and Monsignor Rivera's request exerted so much pressure that on 23 December the government, through the Culture and Communications Ministry, announced that the government's Armed Forces would suspend all military actions of an offensive nature.

4. The FMLN, respecting the statement made by our fronts, suspended all types of offensive military actions at 0100 on 24 December.

5. The government and its Armed Forces, in violation of the public commitment made to the people, continued and increased all types of military operations, at the national level, beginning on 24 December -- supposedly the first day of the truce. Among the violations are the bombings ordered by General Bustillo. The following is a list of the principal violations:

Strafings by helicopters in the areas of Los Gramales and San Jose Guayabal; shelling, with 150 mm howitzers, of Plan del Horno, (Las Citas), Teotecacinte, Chalatenango Department. Air raids, with the use of A-37 planes and helicopters, against various areas of Morazan Department. Some of these areas were populated areas: La Joya canton and surrounding areas of Joateca. Bombings in the area of Guazapa, Suchitoto jurisdiction.

Offensive patrolling and air raids in Jucuaran, Jiquilisco, Jucuapa, Usulutan Department; in cantons in the jurisdiction of Sociedad, Jocoro, Conchagua, Nueva Esparta, and Santa Rosa de Lima, Morazan, La Union, and San Miguel departments; Guarnecia,

Texistepeque jurisdiction, Santa Ana Department: San Rafael Obrajuelo, San Miguel Department. Shellings in the area of Tecoluca and San Andres canton, San Vicente Department.

6. Today, 26 December, and in addition to these violations of the truce, high ranking military chiefs, Colonels Fernandez Marin, Vargas, Mendez, and Ochoa, quite emphatically and clearly told several local radio stations that they had no knowledge of any truce and that they had received no orders to halt military operations, thereby reaffirming the Armed Forces' decision to continue the offensive actions throughout the 365 days of the year. These statements confirm that the violations of the truce have not been casual incidents, but desperate actions that are a mockery to the Salvadoran people. These actions clearly demonstrate the deep differences within Jose Napoleon Duarte's government and the Armed Forces high command. They clearly show that they cannot control their subordinates, enforce their decisions, and respect the commitments made before the archbishop and the people. In view of the seriousness of this mockery against the people, the FDR-FMLN states:

1. The FMLN forces cannot remain passive while the government Armed Forces submit the people, our territories, and our units to constant attacks by the Air Force, infantry, and artillery, in violation of the truce. Therefore, we do not consider ourselves forced to remain passive.

2. However, respecting the feelings and tradition of the people, our units will refrain from sabotaging the power and transportation infrastructures and will also refrain from occupying the roads until 2 January.

3. We charge Jose Napoleon Duarte's government for scorning the people, for scorning the Catholic and other churches, with its official announcement that it would respect the truce. The people trusted the announcement, they gathered to carry out their religious activities and have been left exposed to treacherous attacks by the Air Force, artillery, and infantry. This proves that Jose Napoleon Duarte's policy and the behavior of his Armed Forces, is against the Salvadoran people and is subject to Reagan's hysterical and warmongering government, and against peace.

4. The FDR-FMLN regret that due to the warmongering attitude of the government and its Armed Forces, the Salvadoran people will not be able to truly enjoy the climate of peace that we wanted to give them through our Christmas truce. At the same time, the FDR-FMLN reaffirm our determination to continue to struggle for a just political solution that will ensure a true peace for our people.

El Salvador, 26 December 1985 [Signed] FDR-FMLN

Ungo on Violation

PA270306 Panama City ACAN in Spanish 1532 GMT 26 Dec 85

[Text] Panama City, 26 Dec (ACAN-EFE) -- Guillermo Ungo, political leader of the FDR in El Salvador, said today that the government in his country has violated the 10-day truce proposed by the church and accepted by the government and the guerrilla organizations.

Ungo told ACAN-EFE that the Salvadoran Armed Forces have attacked various departments of the country with air raids, offensive patrols, and artillery fire.

The leader of the FDR, political wing of the Salvadoran guerrillas, said they will wait some hours before adopting a decision, which would involve the breaking of a truce by his organization and the FMLN.

Guillermo Ungo, who is exiled in Panama, said he has talked with Salvadoran Archbishop Msgr Arturo Rivera y Damas to state his concern because the Christian Democratic government of Jose Napoleon Duarte had not fulfilled the truce. According to Ungo, the Salvadoran guerrilla organizations will decide today whether they will continue with the truce or not.

The Salvadoran church proposed a 10-day truce, which started on 24 December and would conclude on 2 January. The Salvadoran guerrilla organizations immediately accepted the Catholic Church's proposal and the government accepted it later.

Government 'Needed' Truce

PA270136 (Clandestine) Radio Venceremos in Spanish to El Salvador 0000 GMT 25 Dec 85

[Text] As we have said, the government and the Army needed a truce; they had to accept an agreement and did so in a shameful way. The government faced the dilemma of acknowledging the existence of another power, of another army, because a truce -- that is what it is called -- takes place when there is a confrontation between two armies. In addition, the government and the Army needed that truce.

The regime was pressured by the people; they would be unmasked by their indiscriminate bombings and terrorist actions against the civilian population at a time when the religious traditions of our people gain special attention.

The government faced a problem posed by the request of the Church -- basically a political problem. What could they do? Say no to the Church? In addition, it hurt them to admit that they had to agree to a truce that originated from our initiative. However, and most importantly, the government had to accept a truce before their own troops and officers.

They needed a truce because of their deteriorated morale. Generals and colonels are not in the Army to participate in military operations; they are actually there to get drunk and forget bitter defeats for a few days. They needed a truce.

However, they made all possible efforts to reach an agreement without compromising themselves and without making a public acknowledgment, because to them -- the government and Army -- it hurts to admit the existence of a duality of power. The existence of a duality of power in the country is a fact known to everyone here and abroad.

Nevertheless, they had no other choice than to accept an agreement with the other army, that of the FMLN. They did so in a shameful way -- not through the government, not even the Coprefa [Armed Forces Press Committee] -- but through a very low level official [funcionario de octava categoria] of Rey Prendes' [Culture and Communications] Ministry.

The truce agreement established a precedent and stands together with other events such as those in La Palma and Ayagualo when the regime was obliged to acknowledge the existence of a duality of power, the existence of another power, of another army.

Pay close attention: in the document read by the low level official, the regime not only accepted a truce, but it accepted a 10-day truce, not a 6-day truce as initially proposed by the FMLN. They reasoned: When there was no truce in 1983, there were the blows in El Paraiso and the Cuscatlan Bridge and then in 1984, when there was a divided truce, they faced a blow in between the two periods. Therefore, to be on the safe side this time around, they accepted a 10-day truce.

And in the same way that they accepted a truce and this agreement, in which they acknowledge the existence of another army and power, they will have to have a dialogue tc negotiate. This is only a matter of time; the longer it takes, the worse it will be for them.

FMLN EXPLANATION OF DIALOGUE PROPOSAL

Part 14

PA261954 (Clandestine) Radio Farabundo Marti in Spanish to El Salvador 2300 GMT 23 Dec 85

[Special feature: "What Is the FMLN's Dialogue Proposal?" -- Part 14]

[Text] Fourteenth Principle: We maintain our proposal for an overall solution which we presented in Ayagualo, as a basis to arrive at an overall political solution. One of the agreements reached between the two parties at the first meeting in Ayagualo was that the proposals made by either side would be discussed at the dialogue table. Our delegation presented a proposal for an overall solution to the conflict at the Ayagualo meeting, which became known to our people as the Ayagualo proposal. However, what was Duarte's reply to this initiative? All our people witnessed that Duarte's policy toward the dialogue underwent a drastic change. The hardening of its position and lack of responsibility and maturity characterized the dictatorship's stance toward our proposal after the Ayagualo meeting.

At the second predialogue meeting Duarte disclosed his fidelity to the oligarchy's interests, and also showed his fervent support for a military solution.

Why did Duarte react this way to the Ayagualo proposal? Basically, this document summarizes our national problems. The Ayagualo proposal thoroughly analyzes all the aspects concerning the problem and also proposes thorough solutions.

Of course, the contents of our proposal must be versatile, as the solutions to our country's problems are complex and require efforts in the economic, political, social, and cultural fields.

In contrast with the government's attitude, our fronts have not refused to discuss the proposals presented by Duarte in La Palma. In addition, we are willing to consider all of the regime's proposals, but we demand that our proposal be considered also.

It is not realistic or responsible on the part of the regime to reject our dialogue proposal by saying that the causes of the conflict have disappeared, nor should this be used as a slogan to ask us to lay down our weapons. The Duarte government must admit that it is dealing with a political-military power. This power, embodied in our fronts, the FDR and FMLN, represents the historical interests of the Salvadoran people.

Neither Duarte nor his imperialist masters will be able to show that they have the support of the majority of Salvadorans or a nice international solidarity. The inevitable advance of our revolutionary process in this sense cannot ignore the for a solution we presented in Ayagualo. [sentence as heard]

NICARAGUA

CARLOS NUNEZ SPEECH TO NATIONAL ASSEMBLY

PA221923 Managua Domestic Service in Spanish 1635 GMT 21 Dec 85

[Report by National Assembly President Commander Carlos Nunez Tellez at the closing of the National Assembly legislative session at National Assembly headquarters in Managua -- live]

[Text] [Words indistinct] What else can we expect of a nation that, with its characteristic imperialist arrogance, deploys its immense resources to destroy and devastate our small and beloved land of artisans and vibrant hearts, a land of men, women, and children who, with their hopes, gained their right for a bright future?

At the closing of the first period of sessions of the National Assembly which resulted from the votes of the people cast on 4 November 1984 to enforce its sovereign rights through revolutionary victory, new black clouds darken the horizon and head towards us threateningly. We live in a difficult situation of tension in Central America and an escalation of aggression. We confront the determination of a terrorist foreign policy that is bent on maintaining hegemony for Central America at all costs, even if this leads to regional war.

This is the same irresponsible policy that, violating all norms of international coexistence, endangers peace and world security by wielding the old argument of the "communist threat" and that Nicaragua destabilizes the area and constitutes a threat against U.S. interests and national security. In this way, the U.S. Government has taken for itself a right that it does not have under any circumstances. By virtue of this, the U.S. Government directs against our country an illegal, unfair, and terrorist aggression denounced by all international forums and acknowledged by all decent governments and peoples. The U.S. Government plans to exterminate our population, decapitate our hopes for freedom, and decide our destiny.

Whether it is called Monroe, Truman, or MacArthur, accompanied by whatever adjectives, the basic content of U.S. foreign policy initiated in 1823, adapted to the new circumstances after World War II, and revitalized by the Reagan administration has been based on their interest in turning their country into the world's hegemonic center. The entire country confronts the U.S. Government's political determination to make our country return to the darkness of the past. As part of this determination, the U.S. leaders have taken pains to prepare the conditions for an intervention. All the actions aimed at us fulfill this objective. The United States plans to bend us economically, exert diplomatic pressures, wear down the people's support for the revolution, and prevent and annul the revolution's institutionalization process.

The United States finds it unacceptable that a truly democratic, popular, and revolutionary process can exist behind its back, without its support and acceptance. We have now reached our first year of undenied legitimacy, not suspended by the war or the U.S. State Department's effort to have the National Assembly dissolved. Quite the contrary, we have been legitimized by our firm determination to forge ahead, strengthening the democratic process in this free Nicaragua. This parliament continues to do its job. We have done it despite the U.S. boycott of the Contadora effort; despite the supply of war materiel to the counterrevolutionary forces, bringing an imbalance to the region and truly imperiling the security of the states; and despite the U.S. officials' publicly announced determination to support the mercenary forces for an indefinite time, according to Vernon Walters, thus cutting down even more on the possibility for peace.

In this difficult moment, it is up to us, the Nicaraguan parliament, to assume our responsibility. The U.S. Government does not want to destroy the FSLN alone. In this

war, all the nation's interests are at stake. As an organ of the revolutionary power, because its representatives elected by the people perform defense tasks for the homeland, the National Assembly is also attacked by the U.S. Government. For this, now that we have completed our first year of work, we cannot but identify with our country's political circumstances.

This is not pure fantasy. The U.S. Government's objective is to destroy the National Assembly. On 2 March, during a meeting of the most important counterrevolutionary leaders in San Jose, they signed a document, an essential points of which was the dissolution of the National Assembly. Let's keep in mind the insolent statements, that violated all norms of international law, of Ambassador Harry Shlaudeman. Later when visiting the Nicaraguan Embassy in Washington on 29 October he conditioned resumption of a dialogue with Nicaragua with the absurd demand that our government proceed immediately to dissolve the National Assembly.

To have completed 1 year and to move ahead in the midst of danger is a challenge turned into a veritable victory.

All truly patriotic Nicaraguans, and the entire world, are aware of the qualitative advance represented by the birth of the government chosen in the 4 November 1984 elections, and, with it, the National Assembly. Only those whose objective was participation in the internal process offered by the revolution, who chose to drift away from the various forms of influencing the transformation in the country, and who chose to rely on the results of intervention without contributing to the cause of peace, agree with the foreign interests.

We clearly referred to it in assuming our new post on 9 January 1985, and insisted on the responsibility for which we were elected, when we stated at the time for the need for unity and the fact that the National Assembly was the true expression of unity against the aggression, that private interests should be subordinated to the national interest, independent of political and ideological differences.

Consistent with this principle and political will of the revolution, the parliament has expressed the various positions and concepts represented by the members of the parties present in this assembly. Political pluralism, participation, and knowledge of the national problems -- fundamental reasons for this assembly -- were ratified in this first year of existence. We took notice, listened, and discussed the differences of opinion and the concurrences within a single purpose: the unity of the nation in meeting the only factor determined to eliminate political pluralism -- foreign aggression.

We have tried to be consistent with these principles. The participation of the political parties in the National Assembly, conceived not as a forum to win supporters or followers, has been an excellent school. We have tried to comply with a historic responsibility, to represent a people with opportunity, won with the overthrow of the Somozist dictatorship and confirmed day by day. Our action was guided by the idea that failure to take specific steps guaranteeing our presence in the work to defeat aggression would be to be against life itself, and would weaken the firm foundations of the construction of the democratic state, where everyone has the legitimate right to realize the aspirations established in the struggle against Somoza.

In completing 1 year of intensive work, we express the sentiments of our people, as said by Sandino, and I quote, that the Nicaraguan people, true to the principles of sovereignty, have turned down, and shall turn down, we add, with weapons in hand and with their blood, the affront which the Yankee imperialists and a group of Nicaraguan traitors tried to impose on the free men of Nicaragua, end of Sandino's quote.

The people, the men and women, are the permanent watchmen of the revolution's progress and the dissemination of its decisions. For the people's consideration, either favorable or negative, we hereby present a report of the National Assembly's first legislature in the Republic of Nicaragua.

About the Legislative Work

Several times we have asserted that the drafting of the Nicaraguan constitution has a strategic connotation. Our (?formation) as a parliament brought with it our responsibility toward the people and the historic task of drafting and approving the first constitution in the nation's political history. This constitution is being drafted by a body genuinely elected and authorized by the people. After more than 150 years of political history committed to foreign interests by local dominant classes, after institutions, urged and supervised by the cannons of the north, sent commissioners to negotiate aboard some ships of the invading navy, after reforms recommended by the embassy, and traitorous pacts broken in a thousand pieces by the 19 July 1979 revolutionary victory, we have started, with the certainty given us by history as a sovereign and independent nation, intricate yet firm plans to design the constitutional edifice giving a legal and political framework to the revolutionary state we are building.

Aware of the magnitude of our task and considering the people's mandate, we, the political parties represented at the National Assembly, agreed on 21 May to form the special constitutional commission in order to draft a constitution. This draft should be ready by the end of December 1986 at the latest. With the purpose of making the constitutional work more expeditious and of obtaining better results, a special constitutional commission, formed by 22 representatives of the National Assembly's seven parties, distributed the work among three subcommissions, namely: the subcommission for constitutional affairs, responsible for designing and presenting the constitution bill to the special constitutional commission; the national consultation subcommission, which organizes the national consultation, taking into consideration that the drafting of the constitution is the responsibility of the nation at large. For this, the bill must include the suggestions of the country's various social sectors and the people at large. Finally, the foreign subcommission is in charge of examining the constitutional experience of several political systems and considering and analyzing them.

Progress of the Work; National Consultation

The first decision was to open a process of national consultation with the organized people so that the various national political sectors, parties, unions, and social, union, and religious organizations could express, through their leaders and authorities, their opinions about the future constitution. Since 19 August, when the first stage of the national consultation began, until 30 October, when it ended, 24 proposals were presented at the special constitutional commission, of which 7 were from parties represented in the National Assembly, 2 from political parties not represented in the Assembly, and the remaining 15 from organizations of various kinds. As we pointed out in our second report of the special constitutional commission presented here on 19 November, the political parties that also have a patriotic interest and are willing to contribute toward the great task of drafting the constitution, despite their not being represented at the National Assembly, also freely expressed their opinions at the national consultation.

These parties, namely, the Revolutionary Workers Party and the Central American Unionist Party, are two of the five that exist in Nicaragua that are not represented in the National Assembly. The other parties and organizations of various kinds that did not participate in this first stage of the national consultation did so, not

because of their political differences, but because they have assumed a nonnational stance. They have identified themselves with most of the U.S. Administration's proposals and initiatives in our country. As during the elections, despite the revolution's efforts to offer as many opportunities as possible, such as an extension of the deadline for registration and the 1-month delay of the convocation [not further identified], under protest by the political parties that participated in the elections, the sectors we have mentioned persisted in their negative stance, using arguments not very different from those used by officials of the U.S. State Department to justify the aggression against our country; as Nicaraguans, they have the opportunity to correct their course.

Constitutional Visits Abroad

Taking into consideration that the preparation of the constitution is a new experience, the special constitutional commission, based on a proposal made by the foreign subcommission, formed three Assembly delegations of a pluralist nature to visit countries with different political systems to learn about their respective experiences in the constitutional effort.

The first delegation, headed by Dr Rafael Solis Serna and formed by Companeros Domingo Sanchez, Alan Zambrana, and Cesar Augusto Castillo, visited the socialist countries, touring the parliaments of the USSR, Bulgaria, Hungary, GDR, and Poland.

Another delegation, headed by Dr Humberto Solis Vargas and formed by Drs Eduardo Molina Palacios, Alfredo Rodriguez, and Carlos [name indistinct] (?Arauz), toured Latin America, visiting Argentina, Peru, Colombia, Venezuela, Panama, Costa Rica, and Cuba. A final delegation, formed by Dr Danilo Aguirre Solis, and Daniel Brenes Aguilar, travelled to Spain, France, Great Britain, Sweden, and the FRG.

We feel that it is important to stress that in all of these constitutional visits, the National Assembly delegations were warmly received by high-level personalities, which offered an opportunity to the delegations of explaining Nicaragua's reality and providing information through different political and social communications media regarding our constitutional process.

Work Documents

There have been many efforts to overcome the various limitations, to proceed to complete the constitutional effort. Treatment of this topic is based essentially on the novelty of it all. It demands the highest study and dedication on our part. We are convinced of the need to give our work a scientific foundation. With this in mind, we have submitted every constitutional report and concept expressed before the special constitutional commission for analysis, while urging all of the parties, without exception, to place themselves within the same perspective.

According to a proposal by the Special Constitutional Commission, at the beginning of its formation an initial guide document was discussed and approved by six of the seven parties. The document contains several points: democracy, political pluralism, mixed economy, nonalignment, anti-imperialism, Latin Americanism, anti-interventionism and defense of peace. Nevertheless, according to an agreement by the Special Constitutional Commission, the discussion of a second similar document was suspended until the first phase of the national consultation had concluded. Once completed, to facilitate discussion and to inform the people, a total of 14 documents were prepared with the help of the institution, including a comparative chart of the positions of the seven political parties, their agreements, differences, and the new aspects of their constitutional proposals.

A new document containing a total of 36 coinciding points was prepared and sent to each party. Only the Communist Party of Nicaragua presented observations that do not fundamentally alter the document. We expect that at its first meeting in 1986 the Special Constitutional Commission will approve this document.

Legislation

To legislate in the midst of the sociopolitical conditions in Nicaragua, to legislate with the participation of seven political parties with the most varied criteria, conceptions, and political interests, to legislate within the framework of aggression is not an easy task. Perhaps because of this very situation, because of the complexity of the parliament's formation, because of the dynamics of the parliamentary effort, and because of its pluralist nature, each initiative submitted for debate is enriched in its form and contents.

Five years of state council functions have bequeathed us important advances on the path to institutionalization. This is why when the National Assembly was installed, it assumed the mission of continuing to contribute to the process of juridical organization and transformation demanded by our country's revolutionary reality. Proceeding with its legislative mission, in its first year of work the National Assembly debated and approved a total of 33 laws and decrees that contribute to the regulation of different aspects of the revolutionary state's role and citizens' duties, and are part of the effort to offer a legal framework on the path to revolutionary institutionalization.

In the present legislature, of the 33 laws and decrees 20 were presented by the president of the Republic, by the Supreme Court, 4 were presented on the initiative of the FSLN, 7 by the Nicaraguan Conservative Party, 2 by the Independent Liberal Party, 2 by the popular Social Christian Party, and 3 were prepared by the justice commission. During the debates the ample reports on the positions of the political parties represented in the parliament were noted with regard to each of the initiatives submitted for consideration. This demonstrates the deeply pluralist nature of the National Assembly. The essential aspects of these laws are the amnesty law, formally ratifying the call made at the solemn swearing-in of the president and vice president of the Republic to all persons involved in counterrevolutionary activities, a call to lay down arms and join the production and national democratic process. On 22 November 1985 the National Assembly approved the amnesty law as another manifestation of the Nicaraguan Government's desire for peace.

This law grants amnesty to all Nicaraguans involved in counterrevolutionary activities, including armed actions, as long as they surrender and present their arms to the appropriate authorities. The benefits of this law extend to those who from Honduras and Costa Rica carry out these types of activities, if they surrender to authorities designated by those countries' governments for that purpose or to the International Red Cross.

So far, in the close to 1 year that the law has been in force, including the extension period, more than 1,500 Nicaraguans have sought shelter under it and are now working on lands that were turned over to the people through land reform.

Wage and Salary Scale Law

In response to the just demands that the country's workers set forth through their labor organizations on the need to readjust salaries to make them responsive to the national economy, and in order to adopt the legal mechanisms to ensure the fulfillment of the national economic and social development plans, on 7 February 1985 the National Assembly approved the Wage and Salary Scale Law.

This law strove to eliminate the arbitrary way in which salaries were assigned to the various sectors of the economy, taking into account the real possibilities of the nation's economy and the limitations imposed on it by the imperialist aggression, and classifying occupations according to their degree of complexity. The concept of complexity evaluates work according to the levels of theoretical and practical know-how required for a task and the level of responsibility that task entails.

General Statute and Internal Bylaws of the National Assembly

After several days of intense and exhausting deliberations, the National Assembly approved its general statute and internal bylaws on 20 March 1985 pressed by the need to establish rules to determine its legal and constitutional functions and its relations with the executive branch. The internal bylaws were approved in May. [as heard] The general statute contains provisions regarding the rights and obligations of legislators, the sessions and structure of the National Assembly, the process by which laws are created, and a chapter dealing with the rules to draft the new constitution.

Amnesty Law for Miskitos, Sumus, Ramas, and Creoles

As an expression of the Nicaraguan Government's good will and desire for the peace and tranquillity of the Nicaraguan people, on 29 April 1985 the National Assembly approved the amnesty law for the ethnic groups of the Atlantic coast to benefit those Miskitos, Sumus, Ramas, and Creoles who had committed crimes against order and public security, or related faults, ordering their release. The law was translated into those peoples' native tongues and read and explained in their communities.

Creation of the German Pomares Ordonez Order

The order was created on 30 April 1985 to honor the memory of the legendary national hero German Pomares Ordonez. It is granted to those Nicaraguans who render exceptional services to the country with dedication and sacrifice.

Law on Rental and Transfer of Property in Foreign Currency

This law was issued to regulate rental contracts made in foreign currency and channel the funds obtained from these contracts to priority sectors of the economy.

Extension of the Amnesty Law

This extension was issued to grant those Nicaraguans who wanted to seek shelter under this law another opportunity to do so.

Law for Business Permits and Business Regulation and Consumer Protection Law

These laws are part of the government's effort to advance an orderly organization of the national economy.

Complementary Law for the Restitution of Birth Certificates

This law sought to benefit a large segment of the population which for various reasons was not registered in the National Civil Registry.

Law on Embezzlement, Fraud, and Speculation

This law was enacted to afford the state an effective legal mechanism to assist in the exemplary behavior of government officials and employees.

Law Reforming Article 179 of 11 November 1979 on the Creation of the Unemployment Fund

This law established an increase in the ceiling of the 13th month bonus payment, raising it from 5,000 to 12,700 cordobas. This does justice to most of the country's workers who enjoy the receipt of the total Christmas salary bonus.

Finally, and in order to make the administration of justice coherent with the nation's economic situation, the Law on Competence of Local Civil Judges was approved. This law was drafted by the Supreme Court of Justice to increase the number of cases heard in each circuit.

Decrees

In 1985 the National Assembly approved a decree to pardon and afford another opportunity to those people who committed crimes against the people; it approved its internal bylaw, and granted legal status to the Managua Livestock Breeders Association, the Alcoholics Anonymous General Services Board, the Diriangen Nicaraguan Association of Artisans, the Union of Professional Studio Photographers, the Verb Christian Mission, the Nicaraguan Consultants Association, the Victor Hugo Nicaraguan-French Educational Cultural Association, the Central America School Association, and the Elias and Israel Rodriguez Brotherhood of the People's Great Bull Elk.

Also outstanding was the National Assembly's deliberation, ratification, and approval with reforms of the National Emergency Decree issued by the president of the Republic on 15 October 1985 to counter the attempts to create an internal counterrevolutionary front directed by the U.S. Central Intelligence Agency and restrict the activities of all those, who responding to foreign interests, are attempting to destabilize the revolutionary process as a complement to the escalation of the foreign aggression.

Work by the Commissions

When the National Assembly opened its legislative sessions on 22 January 1985, eight temporary commissions were created in accordance with the provisions of the State Council's statute, which regulated the functions of the National Assembly until the approval of its own general statute and internal bylaws. After the general statute and bylaws were approved the National Assembly designed, on 29 and 30 April, 12 permanent commissions in accordance with Article 19 of the internal bylaws.

During this first legislative session another three special committees were designated. Two of them oversee the implementation of the general statute and internal bylaws, and the third is in charge of reviewing the agreements issued during the political parties summit. The legislative commissions are organized in a pluralist fashion; they preserve the concept of proportional representation of all the political parties, in the makeup of both the commissions and their boards of directors. The commissions are called upon to examine and follow up the bills sent to the National Assembly by the president of the Republic or presented by members of the National Assembly to prepare them for deliveration, reform, ratification, or rejection by the full assembly.

This year all the commissions -- except the internal defense and media committee -- approved their operational rules, examined individually and in groups 23 bills, gave opinions on 11 bills, 10 legal status decrees, 2 pardons, 2 resignations by National Assembly representatives, 1 replacement due to death of the principal representative, and one dismissal. In addition to this and as part of their duties, investigations, and relations with other branches of government, and in order to enrich their knowledge or to obtain first-hand knowledge on the application of laws in the areas within their jurisdiction, 19 presentations by and 10 interviews with cabinet ministers, directors of government agencies, government officials, and representatives of mass organizations were held.

We believe that the work carried out by the various legislative commissions this year was efficient. Most of the bills were passed as laws without major modifications, an indication that the commissions were conscientious in their consultations with legal bodies prior to the final drafting of the bill. This is notwithstanding the fact that during the deliberations of various laws profound disagreements arose as a result of opinions expressed by the representatives of the various political parties, who exercised their right to dissent, demanding that their opposition to a bill be entered into the record, and criticize the decisions of the commissions, although sometimes recognizing their opinions were valid.

The work carried out by the justice commission, charged with, in addition to the drafting of a number of laws, the drafting of the general statute and internal bylaws of this assembly deserves special recognition.

The commissions of communications, transport, energy, construction, education, culture, sports, economic affairs, finance, budget, production, distribution, mass consumption, human rights, and peace distinguished themselves for their uninterrupted work and their fulfillment of the work plans. The commissions most closely with government agencies and institutions were the communications, transport, energy, construction, and economic affairs, finance, and budget commissions.

However, nothing is a bed of roses, and perfection does not exist. Faithful to our commitment to the people and to the coherence of the actions carried out by the branches of governments, we must also be critical. The problem of absenteeism had a negative effect on the operation and work of the various commissions. In reviewing the attendance records of the members of the commissions, the absence of many members of the commissions not fulfilling their responsibilities became obvious. We hope this problem can be overcome in the future so that we may work efficiently. The commission that holds the best attendance record is the human rights and peace commission. We believe it is important to point out the effort and dedication of the communications and human rights commission and of the health commission's effort to install the cobalt pump, and particularly of its president, Clemente Guido. We also acknowledge the dedication of the alternate representatives of the National Assembly who worked hard to make their task part of the Nicaraguan people's victory.

In 1985 Vice President Ramirez Mercado and the ministers of labor, housing, and finance, the mayor of Managua, and Deputy Defense Minister Joaquin Cuadra Lacayo came before this assembly to make presentations on matters of national interest. Also, the commissions invited eight cabinet ministers, two deputy ministers, two directors of government agencies, two secretary generals, several officials on government advisory teams, and chiefs of directorates of the Health and Labor Ministries, of Telcor [Nicaraguan Telecommunications and Postal Services], the Transportation Ministry, and the Central Bank to make presentations in their areas of interest. The Nicaraguan ambassador in Honduras, the president of the National Commission for Promotion and Protection of Human Rights, and the president of the Supreme Court of Justice also came.

Relations were established with officials from the Justice Ministry, the office of the General Treasurer, the Legal Assistance office of the Interior Ministry, the Foreign Cooperation office, the National Oncological Group, the Lenin Fonseca Hospital, and representatives of the Sandinist Central Organization of Workers [CST], the Association of Agricultural Workers [ATC], the Federation of Health Workers [Fetsalud], the National Union of Employees [UNAE], ANDEN [National Association of Nicaraguan Teachers], the independent General Confederation of Workers [CGT], the Central Organization of Trade Union Action and Unity [CAUS], the Workers Front, and the heroes' and martyrs' Conapro [National Confederation of Professional Associations].

International Activities

Since the very triumph of the revolution, the U.S. rulers have been interested in annihilating a people who, after having endured years of exploitation and subjugation, have emerged in the world with their own identity and with a firmness backed by the blood of thousands of heroes and martyrs.

The policy that is being applied against our country is the result of the interest of rulers who want to return us to their domination framework, and who for this purpose use all the mechanisms at their disposal to destroy the revolutionary process.

It is under these conditions, persistently obvious this year, that the National Assembly was able to carry out international activities aimed at providing information about our international activities aimed at providing information about our democratic experiences and about the efforts being made in our country to institutionalize the revolutionary process in spite of the maneuvers of the U.S. Administration, which wants to build a giant wall of silence around our land.

During this first legislature the National Assembly aimed its international activities in the search for:

1. Participation in international and regional parliamentary organizations to inform about the reasons for the crisis which is being endured in the Central American region, and about our people's right to build their future in peace.

2. The strengthening of ties of friendship with parliamentary people from various parts of the world who may contribute to mankind knowing and supporting our just cause.

3. Information about the constitutional experience of other countries, an aspect to which I have already referred in this report.

4. Receiving visits from parliamentary and other important people from other countries. These visits have been hosted by the office of the president of the National Assembly, the board of directors, commissions, representatives, and officials. The visitors were given broad information about our activities as a parliament.

Relations with Other Parliamentary Bodies: 73d and 74th IPU Conferences

The 73d IPU conference took place from 25 to 30 March in Lome, Togo. This conference was attended by 500 delegates from 84 countries. The Nicaraguan delegation was headed by Dr Clemento Guido, vice president of the National Assembly. The other members of the delegation were Dr Rogelio Ramirez Mercado and Companera Angela Rosa Acevedo.

Nicaragua actively participated in the commissions that discussed foreign debt problems and disarmament as well as in political debates on the international situation. The delegation, through Dr Guido, explained that the Nicaraguan situation had deteriorated because of the war of aggression. He also explained that our country wants peace.

The Nicaraguan chief delegate met with the president of the IPU council to ask him to address the U.S. Congress, asking that it not to approve funds for the counterrevolutionary forces.

The 74th CPU conference took place in Ottawa, Canada. This conference was attended by 1,000 delegates from 96 countries. The Nicaraguan National Assembly was represented by a delegation headed by the president of the assembly. The other members were Mauricio Diaz Davila and Dr Rafael Solis Cerda, vice president and secretary of the National Assembly, respectively, Ray Hooker, (Taylor Dixie Ulloa), the Companera (Lulu Vargas), director of the Legal Assistance General Directorate.

In that parliamentary forum, the Nicaraguan delegation presented its position in respect to the problems of youth and the decolonization process. The delegation denounced the war situation created by the terrorist policy of the United States. It gave details on the lives, production infrastructures, and services lost due to this aggression.

Consequently, the Nicaraguan delegation called for an end to this policy of aggression and force in our country. Our delegation pointed out the causes of the economic and social crisis being endured by the people of the Third World and explained the revolutionary institutionalization process in Nicaragua, especially the constitutional work that is being carried out by the National Assembly.

The head of the Nicaraguan delegation established contact with more than 16 parliamentary delegation heads who participated in that conference. There were meetings with nongovernmental organizations, solidarity groups, and with Nicaraguan Government officials [sentence as heard].

In every meeting the delegation spoke about the aggression being endured by Nicaragua, our work in the Contadora framework, and our interest that the United States stop blocking the Contadora effort.

Finally, we have to report that the forthcoming IPU conference will take place in Mexico. Its specific purpose is to discuss both the Central American issue and nuclear disarmament.

The Latin American Parliament

We believe that the presence and significance of Nicaragua in the Latin American Parliament, Parlatino, was important in the framework of the international activities carried out by the National Assembly in 1985. The Latin American parliaments make use of the Latin American Parliament to discuss matters related to the political situations that affect our countries.

This year, the National Assembly participated in the seventh interparliamentary conference and in the sixth regular assembly of Parlatino. The former is a joint conference of both the European and Latin American parliaments. This conference took place from 16 to 26 June. The latter, the regular assembly, took place on 19 and 20 June in Brasilia, Brazil.

In line with the National Assembly's policy of integrating the delegations on a pluralist basis, the Nicaraguan delegation was headed by National Assembly Vice President Dr Clemente Guido. The other members were Dr Rafael Solis Cerda, companero Ray Hooker, and Dr Yadira Centeno.

It is important to point out the international recognition that our parliament has achieved. Based on the Nicaraguan Assembly's program, the board of directors of Parlatino approved of Nicaragua's membership, a decision that was ratified at the plenary meeting of the sixth assembly.

We must also point out another victory secured by the Nicaraguan delegation: The final document of the joint resolution of Parlatino and the European Parliament acknowledged the legitimacy of the Nicaraguan elections, condemned the economic embargo, supported the Contadora effort and the Manzanillo dialogue, and expressed concern over the U.S. Congress' vote in favor of financing the counterrevolutionary forces.

The extraordinary conference of Parlatino convened to analyze the foreign debt took place from 8 to 13 October in Montevideo, Uruguay. The Nicaraguan delegation which participated in that event was headed by Dr Rafael Solis Cerda, secretary of the National Assembly. The other members were companeros Yadira Centeno, Sixto Ulloa,

Gerardo Alfaro, [name indistinct] Arguello, Guillermo Mejia Silva, (Paul Poeber), and Alan Zambrano.

The delegation, in addition to stating our country's position on the foreign debt and celling for unity among all the Latin American countries -- a call that is essential in our position -- took advantage of the opportunity to inform this conference about the constitutional experience that we are beginning. The delegation also explained in bilateral meetings with delegates, important people, and political sectors, the aggression that the country is enduring.

As a result of the conference we signed the declaration of Montevideo in which the Latin American parliaments voice their stand on the foreign debt, pointing out the fact that, in addition to the economic aspects, the debt is unpayable and the need for unity of all countries in the region. Concerning the treaty that institutionalizes the Latin American parliament it has been learned unofficially that the presidents of Argentina, Uruguay, Brazil, and Venezuela will sign the treaty. We must recommend that the president of Nicaragua also sign the treaty.

Conference of the presidents of the democratic Spanish-speaking parliaments

From 4 to 17 December, a delegation of the National Assembly, led by the president of the Nicaraguan National Assembly and including Dr Rafael Solis, Ray Hooker, Dr Daniel Aguirre, and companera Angela Rosa Acevedo, attended the third conference of the presidents of the democratic Spanish-speaking parliaments held in (?Mexico). The Nicaraguan parliamentary delegation explained Nicaragua's stands concerning Contadora, non-aggression among the countries in the area, the world economic crisis, and the Nicaraguan democratic system.

The information and analysis concerning our country's efforts to reach development in spite of the economic blockade and the U.S. aggression was considered very important during the conference, in addition to the institutionalization of our system and the preparation of our political constitution. Likewise, we reported the achievements and context of our state of national emergency. As a result of the conference, a declaration was signed by the 13 presidents and 2 parliament members that attended the meeting.

One of the points of the declaration establishes that it is pleased with the process involving several political parties in Peru, Uruguay, Brazil, Bolivia, and Nicaragua. One of the aspects worthy of being mentioned is the aspect concerning political issues where support for the efforts of the Contadora Group for achieving a negotiated political solution is clearly established. The concern of the presidents attending the conference on who is hindering the process of a peaceful solution and bringing sophisticated weaponry into the region and, with this, are thus hindering the democratic process in our countries is also noteworthy.

The declaration also includes the Latin American debt problem, pointing out the current deterioration of the Latin American economy and the injustice of the creditor countries in handling the economic relations with our countries. The conference voices the fact that the problem of the debt cannot be disconnected from political and social implications because one cannot think of any possibility of payment unless there is economic development in each of the Latin American countries.

Other visits have been made by members of parliament. Companero Jose Luis Villavicencio visited Guyana to attend the 11th seminar of the United Nations on the issue of Palestine. Companero Juan Tijerino, third secretary of the board of directors of the National Assembly and FSLN representative on the unity ticket, visited several states in the United States of America as a guest of private farmers and agricultural organizations. Companero Ray Hooker, chairman of the foreign commission and FSLN

representative, visited several states in the United States of America, where he met with solidarity groups and high-ranking political figures to whom he explained the true situation of Nicaragua's peace efforts. Companero Daniel Nunez, national president of UNAG [National Union of Farmers and Cattlemen] and FSLN representative, visited several states in the United States of America, where he was received by congressmen and groups in solidarity with Nicaragua.

In October, companero Ray Hooker traveled to England as a guest of the nongovernmental organization [words indistinct]. During this trip our companero had the opportunity to attend a session of the United Kingdom's Parliament. In November, companero (Irela) Prado went to Spain as a guest of the meeting of the Spanish-American parliament on science and technology.

Delegations That Visited the National Assembly

The prestige gained by our democratic process in the international field and the interest generated by the experience we are gaining has brought many foreign delegations to our National Assembly. A total of 40 U.S. delegations, that is 412 people, visited our National Assembly; five delegations came from Canada, four delegations from Australia, and one person from the Dominican Republic. The members of these delegations were congressmen, trade union leaders, political authorities, solidarity groups, professors, students, and diplomats.

The main purpose of their visits was to learn about the National Assembly and the constitutional process. The visitors stated their support and solidarity for the Sandinist people's revolution. They also stated their understanding.

Eighteen delegations from various Latin American countries participated in work sessions of the National Assembly and secured direct information about the work of the assembly, political pluralism, and the true national situation.

Most of the delegations, 19, represented different Latin American parliaments, and another nine represented executive branch entities, social, and political sectors. These delegations came from Peru, the Dominican Republic, Argentina, Uruguay, Brazil, Venezuela, Mexico, Cuba, Colombia, Panama, and Ecuador.

A total of 51 delegations from Europe and Asia visited us. These delegations were composed of a total of 169 people, including parliamentary members, representatives of political parties, members of solidarity groups, labor union people, and scientists. As a result of their visits, these delegations were able to learn about our true situation, express their points of view, and state their support for the institutional effort being made by the National Assembly, which is drafting the constitution.

The delegations received by the National Assembly included the following: 16 from Latin American parliaments, 16 from European parliaments, 1 from Arab countries, 1 from Socialist countries, and 5 from North American parliaments, for a total of 39 parliamentary delegations. There were 27 government delegations, 1 from political parties, and 74 from solidarity groups and organizations, for a grand total of 141 delegations.

Statements Made by the National Assembly in 1985

The National Assembly, aware of the political problems that are arising at the national and international level now and for the purpose of seriously stating its opinion, issued several statements this year.

In February, the National Assembly sent to the U.S. Congress a statement denouncing the aggressive policy of the Reagan administration against the Nicaraguan people.

In May, the National Assembly issued a statement on the foreign debt problem. Again in May, the National Assembly informed the parliaments of the world about the commercial blockade imposed by the U.S. Government against our country, denouncing it and demanding that the measure be internationally condemned. In August, the assembly also drafted a document on relations with Costa Rica.

A National Assembly declaration unanimously condemning the grave increase in the war of aggression against Nicaragua was drafted. The condemnation came because of the U.S. Government supplying SAM-7 surface-to-air missiles to the counterrevolutionaries. We legislate on and draft the political constitution in the framework of foreign aggression. We could have achieved better goals with much more forceful action in the revolution's foreign policy field.

The next legislature must find the National Assembly more prepared, more aware of its responsibilities, and more dynamic to rally national forces to neutralize or fight a foreign aggression.

We cannot be satisfied with the work done in this field, especially when Nicaragua is building and strengthening democracy while it endures a war of aggression. As a branch of the state we cannot remain indifferent to the threats looming over the people's liberty to destroy it at its roots.

The Year 1986, a Year of New Challenges

In 1986 we will have to fulfill a historic task given to us by the people. The task is to discuss and approve the nation's constitution. This is a most important task considering especially that this will be the first constitution of our fatherland now that it is sovereign and free.

The constitution will represent the highest interests of our humble people, who defend their homeland and revolution every day with work and blood. Nevertheless, drafting the constitution of a free homeland under the situation of aggression imposed on us by U.S. imperialism gives this task an extraordinary meaning because the constitution becomes a weapon to defend the revolution. Few countries in the world have exerted themselves -- under similar circumstances -- to the institutionalization of their political and socio-economic development while engaged in the armed defense of their nation; few would have drafted their constitutions with a rifle and a pen; and we are going to draft that constitution.

The revolution has reached the point to return to the heroic people of Nicaragua -- in the Magna Carta -- their rights, hopes, ardent desires, and achievements. What could be more significant than presenting the constitution when the United States and its internal lackeys are arrogantly opposing this? Their goal is to stop us from preparing and drafting the constitution. The mere act of drafting the constitution under these circumstances represents another act of sovereignty by the people. We are the people's representatives and we stand beside them, rifle and plow in hand, to defend their independence and sovereignty. We cannot let them down. Quite the contrary, as their legitimate representatives we will deliver the draft constitution to their hands, calloused from so much hard work, and the people themselves will confirm what we have stated on their behalf.

As I said when I inaugurated the National Assembly, all the Nicaraguan patriots who are proud to be Nicaraguans have something to contribute, discuss, and improve. We will again visit every house, factory, school, neighborhood, cooperative, community, from north to south, east to west, over mountains, through valleys, and into cities, touring our national geography and asking the people: How do you want your homeland?

How do you want your country? How do you want your revolution? We will gather all the proposals and write down the people's will. We must write the Magna Carta of our Republic while we maintain and develop legislative activities. The National Assembly must undoubtedly emphasize its work concerning the fulfillment of the people's will which was stated on 4 November 1984. In other words, prepare, debate, and approve the political constitution without undermining the obligation to approve the bills presented by the president of the Republic or the political parties represented at the National Assembly.

Therefore, taking into account the situation faced by the heroic Nicaraguans, allow me to announce the guidlines for the work of the next legislature, which, without doubt, will be approved or perfected by the Board of Directors of the plenum of the Assembly.

1. As a branch of the revolutionary state, the National Assembly must formulate lines of action that are in keeping with the revolution's foreign policy and the struggle to achieve peaceful solutions in the Central American region.

2. The plenum of the National Assembly is dutybound to be thoroughly appraised of the situation plaguing the country's northern and southern regions, which are suffering the onslaught of the warlike activities of the Somozist mercenaries, financed by the U.S. Government. This means becoming familiar at the Assembly, at the plenum, or at the commissions with the suffering, abuses, aggressions, murders, rapes, and attacks perpetrated by the counterrevolutionaries and the methods of defense of the Nicaraguan people against the criminal mercenaries of the U.S. Administration.

3. It must adopt timely decisions and take action in support of the Nicaraguan Government's struggle to defend our homeland's sovereignty. Statements are not enough. It is necessary that we, the representatives of the people become familiar with the details of each instance of suffering, punish the aggressors with effective laws, and be prepared to learn of and run the risks faced by the towns, municipalities, and regions with a single purpose in mind -- to defend our country's sovereignty -- even if we have to die at the side of our people in our endeavor to learn about their dramatic situation.

4. It must present to the parliaments of the world the effects of the overall policy of the U.S. Government, which translates into death, killings, rapes, destruction, and indescribable torture of Nicaraguan citizens who love their country, their homeland, their land, and their revolution.

5. It must continue the process of drafting the various phases of the political constitution with the participation of the political parties that are members of the National Assembly. This task will demand utmost determination, care, sacrifice, and responsibility from all political forces. It will make it possible to fulfill each and every one of the phases of the constitutional process if we rely on the people's contribution and wisdom as to the form and nature of the political system they wish to build.

This pending phase involves the work of drafting the outline and first preliminary draft of the constitutional bill, the contents of which must be known by the political and social forces, which are the craftsmen of this process. The open town meetings are the means to educate and allow the people to participate and express what type of constitution they wish to have. Even if this vexes the U.S. Government, they will become an example of the democracy which a simple people contribute to the world.

This phase includes the work of synthesizing the contributions made by people during meetings of the national consultation drive across the country. It involves the work of presenting the final constitution draft, which is subject to advice and approval by the National Assembly.

The fundamental task here will be to provide Nicaragua with a political constitution that will have the approval of the entire nation, the contents of which will not be drafted in a dark room but will be the result of dynamic action by the Nicaraguan parliament. This represents long and exhausting hours of work in order to submit the constitution to the people during the last week of 1986. Finally, it includes the evidence of the care and work of 96 representatives who are bent on endowing Nicaragua with a state of legality as well as the delivery of the political constitution to the head of state of our Republic in the presence of all the state branches [word indistinct] and the people. Standing at their side, we will regard ourselves as permanent guardians of this historic work.

We will not hesitate or take a step backward while doing this work. We will complete it even if bills are submitted by the president of the Republic or the political parties at the National Assembly.

Outstanding Parliamentarians and State Bodies

This is a fitting occasion to express our gratitude to the representatives to the National Assembly who, during this initial period, have been outstanding in the various areas of work. We have noticed their great work, dedication, participation, and care not only in the fulfillment of their duties as parliamentarians, but in tasks that were assigned to them in addition to their own parliamentary work. This effort resulted in an improvement in the quality of our work, which allowed us to arrive at the end of this year with a sense of victory and pleasure at being able to assert that we have fulfilled our duty and have not let down the people who elected us to be their representatives, to defend their positions at this National Assembly, to know how to interpret their desires, and to approve laws that would reflect the feelings of the Nicaraguan people.

In general, the representatives have fulfilled their patriotic duty to complete a year of intensive legislative work. The next year will be even more exhausting. However, among the 96 parliamentarians who occupy a bench in this legislative body we feel that we should make special note of those who have made a special contribution; to make special mention of representatives who have made great sacrifices and have devoted their own time to improving articles or bills, or reviewing draft bills, or who have stood out because of their participation in the debates.

In my capacity as president of the National Assembly I must make special mention, in the first place, of the members of the Board of Directors, who are Commander Leticia Herrera; Clemente Guido; Mauricio Diaz; Rafael Solis; Companero Domingo Sanchez; (?the popular Chaguitillo), and Juan Tijerino. Because of the selfless teamwork of these representatives we have managed to carry out and complete the work of this body. They deserve our respect and utmost gratitude.

We wish to make special mention also of representatives who, because of their aggressive, decisive, and strenuous participation, have worked hard and enhanced the prestige of this National Assembly throughout this year. They are: FSLN representatives Commander Dora Maria Tellez, Federico Lopez, (Orlando Pineda), Danilo Aguirre Solis, Ray Hooker, (Irela Prado), Ramiro Lacayo, (Jaime O'Neal), Humberto Solis Barker, (Luis Ulloa), and Manuel Eugarrios; Rafael Cordova Rivas, representative of the Democratic Conservative Party; Eduardo Coronado, representative of the Independent Liberal Party; (Antonio Jarquin), representative of the Popular Social Christian Party; Luis Sanchez, representative of the Nicaraguan Socialist Party; Allan Zambrana, representative of the Marxist-Leninist Popular Action Movement.

Let them be examples for other representatives and represent a commitment to work during the coming legislature.

We underscore, with special emphasis, the effort and dedication in fulfilling their work and representing their social sectors of such companero representatives as the legendary (Benigna Mendiola), and our old representative, companero Eligio Palacio.

All representatives at the National Assembly, the General Directorate of Legal Counseling [Direccion General de Asesoria Juridica], the other bodies, the parliamentary correspondents, and the administrative personnel of the National Assembly have made the people's wishes a reality with their work.

Our future is to continue telling you, year after year, that we will not let you down; that we have the same blood as the heroes of 22 January, of Zeledon, Sandino, Rogoberto, Carlos, and all of the martyrs of this revolution who made it possible for us to be legislators of the people today. Our banner is their memory because of the discipline, devotion, and spirit of work; because of the efforts to promote work in their respective commissions; because of their intellectual abilities and their use of these abilities to make decisive contributions to laws and bills; because of their humility and the firmness of their political positions. [sentence as heard]

The panorama of freedom is clear. Not even intervention will weaken the heroic resistance of the Nicaraguan people because they know that defeat, or a victory by imperialism, will mean the installation of fascism in Nicaragua. And the people already know what fascism means. It means hundreds of thousands of bodies strewn everywhere; Nicaragua would be a huge jail again; and the murderers settling accounts with our patriots. It means the violation of freedom, the destruction of democracy, the infringement of rights, and dictatorship at its peak. It means that imperialism's tools, the usual murderers, will celebrate victory and preach the gospel of freedom atop a mountain of bodies.

We must struggle to preserve our victories and to make our constitution include redress for our people who were previously oppressed and are now free.

Companero president, at this very place where we presented the report of the first legislature before the people of Nicaragua, gathered in a mass in a public square, without hesitation, bearing as their banner the example of the heroes, martyrs, and liberators of our homeland, the first worthy, independent, and sovereign political constitution of Nicaragua, drafted and approved by the National Assembly, with the burning seal of our people and our work, and the patriotic spirit that guides our actions, will be in the hands of our people in 1986. Sacrifices do not matter. What matters is our mission. We will comply. Thank you very much.

CASTRO CLOSES 13TH CC PLENARY MEETING 25 DECEMBER

FL261618 Havana Radio Reloj Network in Spanish 1502 GMT 26 Dec 85

[Text] With First Secretary Fidel Castro presiding, the 13th plenary meeting of the Central Committee of the Communist Party of Cuba [PCC] took place in this capital. The plenum studied and approved drafts of important documents that will be submitted for the consideration of the Third Congress of the Communist Party of Cuba. Included among these documents are those referring to the economic and social guidelines for the coming 5-year period, to the system for directing and planning the economy, and to modifications in the statutes of the PCC. The plenum also approved the party's budget for 1986.

Commander in Chief Fidel Castro made the closing remarks yesterday at the 13th plenary meeting of the PCC Central Committee which took place in this capital. In his remarks, Fidel described 1985 as a good year, which could be described as excellent from a subjective point of view because of the work done by the party, the state, and the workers, and because of the greater maturity and experience that have been demonstrated.

From an objective point of view, however, it was an adverse year, the leader of the Cuban revolution said, first because of the prolonged drought, then because of hurricane Kate, and finally because of the very low sugar prices on the world capitalist market. Fidel stressed that our people have been able to overcome the problems of nature and the effects of the worldwide capitalist crisis, for which reason the national economy as a whole grew more than 4.8 percent in 1985 and will continue to grow during the coming year.

Our forces, Fidel told the plenum, have increased and become stronger, and even the enemy sees this and cannot ignore the fact that we are a very tough customer to deal with. Fidel also expressed satisfaction with the leadership of the party for the progress and achievements attained.

EX-BANK OFFICIAL DENIES SANCHEZ PEREZ CHARGES

PA241656 Madrid EFE in Spanish 1200 GMT 24 Dec 85

[Text] Havana 24 Dec (EFE) -- The Cuban authorities have provided EFE with an interview [type of interview not specified] conducted in jail with an individual identified as Jose Garcia Pena, former vice president of the National Bank of Cuba [BNC], to disprove the story that he was executed, as asserted in Madrid by Manuel Sanchez Perez. Sanchez Perez, a former Cuban vice minister who has requested political asylum in Spain, is accused by the Cuban Government, which has requested his extradition, of trying to steal $499,000 property of the state.

"In 1984 in Cuba," Sanchez Perez told the Spanish paper EL PAIS, "Vice President of the National Bank Jose Garcia Pena was shot, following the discovery of an account in his name, apparently in Spain or Switzerland, which he opened for reasons unknown to me." Garcia Pena worked in the BNC from 1975 to May 1984 when he was detained in connection with an alleged crime having to do with economic espionage on behalf of Western countries, from which he was later exonerated. The Cuban authorities assert, however, that he is in La Cabana Prison awaiting trial for "damages to the national economy." One official from the Interior Ministry and another from the Foreign Ministry were present during the interview, which was conducted in one of the prison's offices.

According to the interviewee, "upon learning that I had been shot, the only thing I can tell you is that it was laughable. You are seeing me and I indeed assure you that I am Jose Garcia Pena," he added.

According to the person identified as Garcia Pena, who claims to be a defender of Cuba's current political regime, Sanchez Perez said what he said either "to present the regime as marked by terror and shame," or "to justify his treason against this country." The person claiming to be the former BNC vice president "flatly" denies having a bank account in either Switzerland or Spain, like Sanchez Perez charges. "I neither have it now, nor had it in the past," he affirms. He adds that the "only charge" against him is that of "damages to the national economy" as a result of the banking operations for which he was responsible.

According to the Cuban penal code, if found guilty, he could be sentenced to between 5 and 20 years in pension.

"There is evidence of errors I committed, and if there is evidence of those errors, and the tribunal feels that those errors are punishable, I will be punished," he adds.

Asked about the repercussions of his "mistakes" on banking activities, he answered that there were repercussions "because a substantial amount of money was not received. This was not so in every case, but one can speak of operations involving $1.8 million."

Spain mostly, and also Italy and the FRG, are countries in which Garcia Pena's department carried out banking, exchange, or sale and purchase operations. "I met Sanchez Perez, but only in passing. I had the chance to see him twice in my life while participating in collective meetings, but I did not know him personally," the interviewee says further on.

Garcia Pena was first detained on 30 May 1984 and he remained in prison until 27 December 1984. On 29 October 1985 he was detained again after a period of provisional freedom.

"Everyone saw me out on the street. My friends saw me, everyone saw me. And everyone learned perfectly when my trial for espionage ended." He denies being a political dissident, and concerning this matter notes: "If I committed errors, any official who commits errors must answer for those errors. That does not mean, however, that because I have made those mistakes I must reject a political system that is mine and which, in addition, I am willing to defend and for which I am willing to fight," he explains.

"I defend it," he goes on, "and in addition I am convinced that there is no better system. It is a conviction I have, which does not stem from any given situation. Furthermore, I am not making these statements so I can have the acquiescence or approval of the Cuban authorities. No, no. This is my conviction."

Garcia Pena asserts that while under conditional freedom, he carried out "all the inherent activities of the revolutionary I feel I am."

The former BNC vice president was a member of the Communist Party of Cuba until his detention and subsequent trial.

TRADE MINISTER ON VISIT TO, TRADE WITH ANGOLA

PA270243 Havana International Service in Spanish 0000 GMT 25 Dec 85

[Interview with Foreign Trade Minister Ricardo Cabrisas by Pedro Martinez Pirez, special correspondent in Luanda for Radio Havana, in Luanda; date not given -- recorded]

[Text] [Martinez] Cabrisas, we would specifically like to learn about the results of your visit and what is the status of commercial ties between Cuba and Angola.

[Cabrisas] In the first place, the visit falls within the framework of the excellent relations between our governments in various areas. Foreign trade could not be absent from this revitalization of our relations, given the fact that our countries are developing countries and that their economies have positive and real potential.

Like last year, we are in Luanda to review Cuban-Angolan trade which, as a matter of fact, is proceeding well, and also to review prospects not only for 1986 but for the coming 5-year period as well. In this regard, I must say that during the visit, in addition to the protocol and the talks, contracts have been signed to supply sugar, toys, and other products, as well as mango juice and juices from other Cuban fruits.

Now then, we have not only devoted time to reviewing the background and prospects of our commercial relations, but we have made special efforts during the various meetings to promote a review of the possibilities of the People's Republic of Angola producing goods so that its trade will not be geared in one direction, that is, toward importation. This was done not only in regard to Cuba but in regard to the rest of the developing countries, the socialist nations, and Latin America in particular.

[Martinez] Cabrisas, I would like to know what Cuban export items have the brightest outlook for this 5-year period, that is, the coming 5-year period.

[Cabrisas] As you know, Cuba is currently making a great effort in regard to its exports. Its aim is not only to increase its volume of exports of traditional products, but to diversify its export structure on the basis of the installed capacity that has resulted from the investments our country has made during these past few years.

In this regard we have been discussing with the Angolan authorities the chances of increasing and diversifying our exports of foodstuffs, certain industrial products, and consumer goods. Above all, we are not trying -- as this would not be fair in light of the trade policy pursued by Angola -- I repeat, we are not trying to cover 100 percent of their import allocations [segmentos]. Instead, we are evaluating the nature of their import trade and their, rather, our possibilities of substituting a part, a segment, of those imports, paying due attention, of course, to the aspects of quality, price, and delivery dates so this trade will be really beneficial to both sides.

[Martinez] Regarding the Angolan products, Cabrisas, what are the main items Cuba could import from that African land?

[Cabrisas] In this respect, you are familiar with the process Angola is undergoing in its struggle to consolidate its economy, which we think was one of the most important aspects, or one of the most important conclusions, of the MPLA [Popular Movement for the Liberation of Angola] congress that has just ended.

In this sense, our talks have been fundamentally aimed at undertaking a review, within the context of the preparation of the next 5-year plan -- a task in which they are already engaged, as a matter of fact -- to determine in what specific areas incentives may be granted in order to achieve the objective of carrying out this trade in two directions, that is, in every direction.

CUBANS, ANGOLAN PLANE RETURN FROM ZAIRE

FL241910 Havana Television Service in Spanish 1800 GMT 24 Dec 85

[Text] The crew and passengers of an Angolan Armed Forces transport plane that made an emergency landing in Zaire returned today to Luanda. The plane, which was carrying 44 Cubans, landed in Zaire because of technical problems while it was making a routine flight over Angolan territory. The emergency landing occurred 1 December and the Zairian authorities reported that the crew and passengers were safe and sound. From that moment, the Angolan Government began the procedures to ensure their return to Luanda.

DECLARATION CONDEMNING SOUTH AFRICA ISSUED

FL241406 Havana Radio Progreso Network in Spanish 1200 GMT 24 Dec 85

[Station commentary]

[Text] A Foreign Ministry declaration published today by the daily GRANMA, strongly condemns the assassination of nine South African citizens by two South African commandos in Lesotho and calls on the international community to double the struggle against these acts. The declaration states that these acts are disrespectful of the most elemental norms of international rights and the UN Charter.

The ministry declaration says the brutality of this act shows once again the inhumane nature of the South African racist regime and its permanent aggression against neighboring countries by violating their sovereignty and the norms regulating international relations. Pretoria tries to justify that criminal aggression citing the alleged presence of African National Congress groups in that small, peaceful country as if the pretexts for aggression against neighboring countries that the racist regime has used and does use are not known. The Pretoria regime tries to intimidate the countries in that region with these arguments and tries to influence international public opinion into believing that the difficult situation faced by the apartheid system originated outside of South Africa when its true cause is the result of the discrimination that the majority of the South African population experiences.

The declaration continues saying the heroic rebellion of the vast South African masses is a logical reaction to the ignominious condition they are submitted to. The ministry declaration includes, expressing the Cuban peoples' strongest sentiment of solidarity and calls for the international community to double its efforts so that world sanctions provided for by the UN Charter can be applied against South Africa.

CUBA, PERU SIGN INTERGOVERNMENTAL, TRADE DOCUMENTS

PA262225 Havana International Service in Quechua 2200 GMT 17 Dec 85

[Text] In Havana, representatives of the Peruvian and Cuban Governments have signed the final document of an intergovernmental commission meeting. The representatives of the two countries also signed a document regarding a Peruvian-Cuban joint commission for foreign trade.

This will enable the two countries to enhance cooperation in the economic, scientific, educational, and other fields. Emphasis will be placed on trade between the two countries beginning in 1986.

The documents were signed by Ricardo Alarcon, Cuban vice foreign relations minister, and by the secretary general of the Peruvian Foreign Ministry, who headed the Peruvian delegation.

Prior to this, the Peruvian delegation met with Fidel Castro. During that meeting Castro donated 2 fishing boats to Peru as a gesture of friendship.

CUBA, ARGENTINA SIGN MARITIME TRANSPORT AGREEMENT

PA250146 Havana International Service in Spanish 1800 GMT 22 Dec 85

[Text] Cuba and Argentina signed a maritime transportation agreement on Sunday. The agreement came as a result of talks held in Havana to reach improvement in this area. The document was signed by Cuban Deputy Transportation Minister Otto Roca, and by Argentine Under Secretary of Transportation Pedro Agustin Trucco. The document stresses the two countries' special interest in having their national fleets participate in ocean transportation activities in order to achieve a balance in cargo tonnage and in the corresponding freight charges. In statements to this radio station, the Argentine under secretary of maritime and river transport pointed out the following:

[Begin recording] [Trucco] I believe that I came with a desire to improve traffic, and to reach an agreement with the Cuban delegation on the technical aspects. I have found the same response from Cuba, the same interest, and the same development; the desire to find a solution to improve on this agreement, which is another link that we have with Cuba, and we have managed this broadly. We will soon meet in Buenos Aires to continue with our analysis and to find a sort of maritime clockwork mechanism more acceptable to each of our countries. This we have managed well during this visit.

[Unidentified reporter] With respect to Latin America, and the need of our people to find common solutions for our problems? [question as heard]

[Trucco] The Republic of Argentina is developing a policy more or less as you have just defined it; that is, we have the support of the country for solving the problems of Latin America by Latin Americans, and without the meddling opinions alien to the region. And Argentina has a long-standing tradition in regard to this in this century. With Cuba, especially, our interest is treated like brother to brother, just as we are doing this very moment, and most likely as we shall expand and maintain in the future. [end recording]

SOVIET LIGHT INDUSTRY DELEGATION ARRIVES

FL241244 Havana Radio Progreso Network in Spanish 1200 GMT 24 Dec 85

[Text] A USSR delegation presided over by Albinas Adomaytis, light industry deputy minister, has arrived in Cuba. The delegation will visit the textile plants that are developing investment processes with USSR cooperation.